2007-05285/

Government of Canada Securities

A Publication of the Department of Finance

July 2004

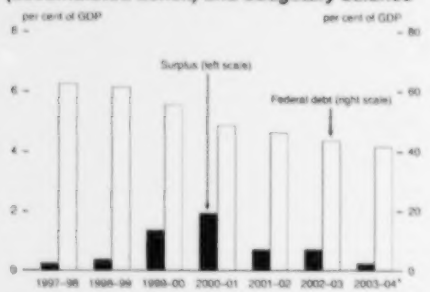
Canadian Economy

Selected Canadian economic statistics

	2003				2004
	Q1	Q2	Q3	Q4	Q1
Annualized growth rates			(per cent)		
Real gross domestic product	2	-1.0	1.4	3.3	2.4
Final domestic demand	3.8	3.5	5.2	2.3	4.8
Employment growth	2.2	0.7	0.8	3.6	1.1
Other					
Unemployment rate	7.4	7.7	7.9	7.5	7.4
Current account balance (percentage of GDP)	2.3	1.7	2.2	2.2	3.0

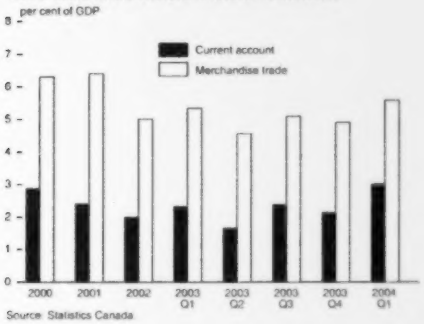
Source: Statistics Canada.

Government of Canada debt (accumulated deficit) and budgetary balance



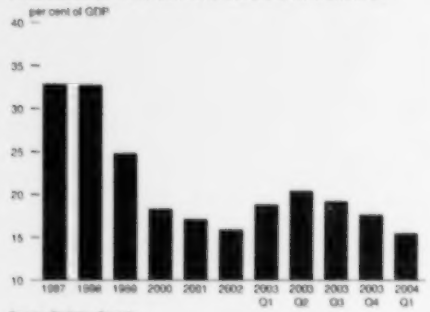
*Estimate according to *The Budget Plan 2004*
Source: Department of Finance.

Canada's current account balance and merchandise trade balance



Source: Statistics Canada.

Canada's net international liabilities



Source: Statistics Canada.

Upcoming economic data releases of interest

July	August	September
June Labour Force Survey (July 9)	July Labour Force Survey (August 6)	August Labour Force Survey (September 10)
June CPI (July 16)	July CPI (August 24)	August CPI (September 17)
May GDP (July 29)	June GDP (August 31)	July GDP (September 30)
	National and Economic Accounts April-June 2004 (August 31)	

Canada

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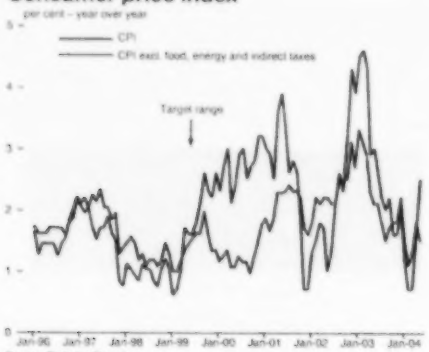
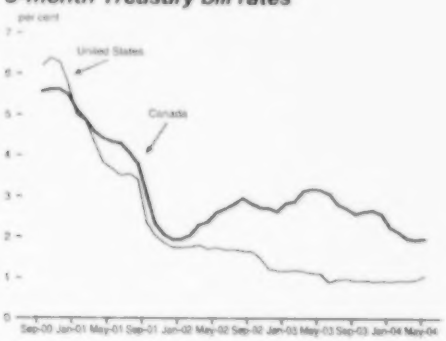
Canadian Economy

Consumer price index



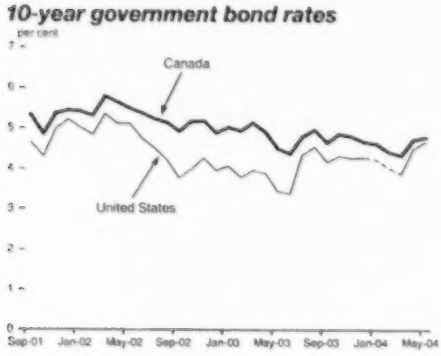
Source: Statistics Canada.

3-month Treasury bill rates



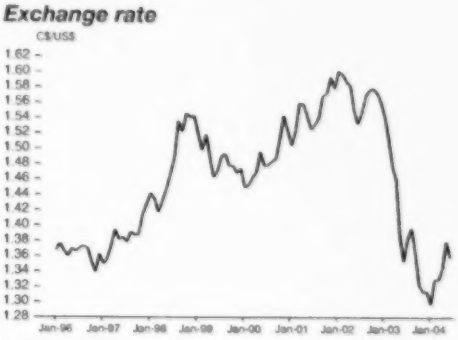
Sources: Bank of Canada and Federal Reserve.

10-year government bond rates



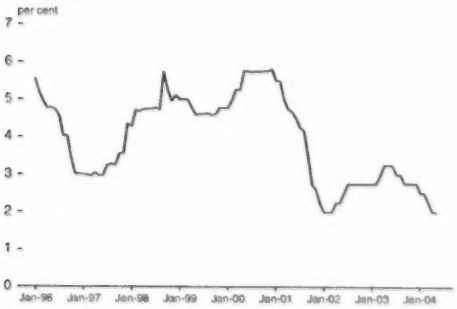
Sources: Bank of Canada and Federal Reserve.

Exchange rate



Source: Bank of Canada.

Overnight money market rate and operating band



Source: Bank of Canada.

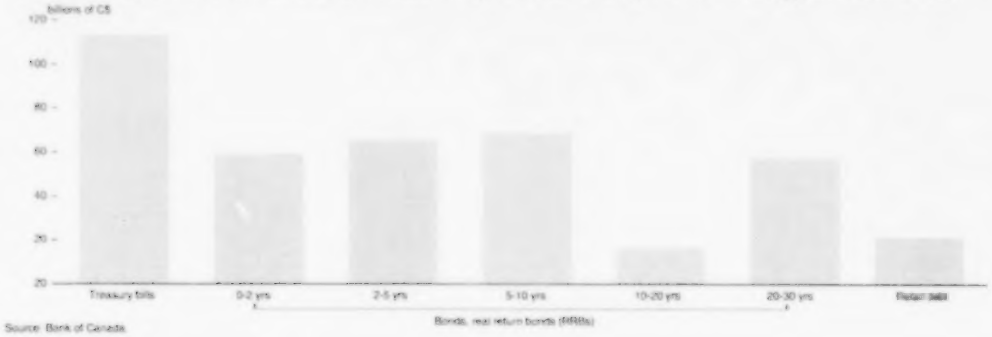
Canadian monetary aggregates

Source: Bank of Canada.

Government of Canada Securities

Primary Market

Outstanding Government of Canada Treasury bills, bonds (by term maturity) and retail debt



Source: Bank of Canada

Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage*	Tail**
	(years)		(%)	(millions of dollars)		(%)		(basis points)
June 2, 2004	30	December 1, 2036	3***	400	115.082	2.335	2.656	n.a.
May 26, 2004	2	December 1, 2006	3.25	2,800	99.673	3.387	2.347	0.3
May 12, 2004	5	September 1, 2009	4.25	2,200	100.121	4.223	2.408	0.7
April 28, 2004	10	June 1, 2014	5	2,200	101.916	4.758	2.341	0.5
March 10, 2004	2	June 1, 2006	3	3,500	101.152	2.463	2.251	0.2
March 3, 2004	30	December 1, 2036	3***	300	111.177	2.498	3.089	n.a.

* Coverage is defined as the ratio of total bids at auction to the amount auctioned.

** Tail is defined as the high accepted yield minus the average yield.

*** RRB.

Source: Bank of Canada

Upcoming Government of Canada bond auctions

Type of issue	Auction date (2004)	Further details of issue (2004)	Dated and delivered (2004)	Amount maturing*
				(millions of dollars)
30-year auction	July 14	July 8	July 19	0
10-year auction	August 11	August 5	August 16	0
5-year auction	August 25	August 19	August 30	0
30-year RRB auction	September 1	August 26	September 7	0
2-year auction	September 15	September 9	September 17	0

In addition this quarter, eight operations are planned under the Government of Canada bond repurchase program. Four repurchase operations will be held in conjunction with each nominal bond auction, and four switch repurchase operations will take place: one on July 21, 2004 in the 5 year sector, one on July 29, 2004 in the 2 year sector, one on September 9, 2004 in the 30 year sector, and one on September 23, 2004 in the 10 year sector. Further details will be released on the Thursday prior to these operations. The target amount for repurchase this quarter is $3.2 billion.

*Maturity of $7,663 million on September 1, 2004.

Source: Bank of Canada

Government of Canada Securities

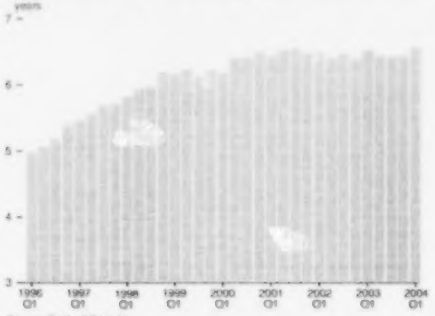
Primary Market

Government of Canada bond market benchmarks

Term	Maturity	Coupon	Amount outstanding	Yield (June 23, 2004)
		(%)	(millions of dollars)	(%)
Fixed-coupon				
2-year	June 1, 2006	3.00	7,537	3.33
5-year	Sept. 1, 2008	4.25	11,400	4.19
10-year	June 1, 2013	5.25	12,000	4.92
30-year	June 1, 2029	5.75	13,900	5.38
Real return				
30-year	Dec. 1, 2026	4.25	5,250	2.42

Source: Department of Finance.

Average term to maturity of Government of Canada marketable debt



Source: Bank of Canada.

Upcoming Government of Canada marketable bond maturities

July-September 2004	October-December 2004	January-March 2005	April-June 2005
	(millions of dollars)		
7,963	12,144	496	7,800

Outstanding Government of Canada foreign currency debt

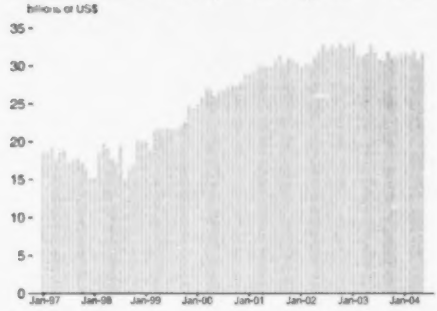
	(C$ millions)*
Canada Bills	2,366
Canada Notes	1,219
Outstanding under EMTN program	3,196
6¾% US$ bonds maturing November 30, 2004	2,668
6¾% US$ bonds maturing July 21, 2005	2,001
6¾% US$ bonds maturing August 28, 2006	1,334
6¾% NZ$ bonds maturing October 3, 2007	424
4¾% EUR bonds maturing July 7, 2008**	3,327
5¼% US$ bonds maturing November 5, 2008	3,335

* At par value, adjusted for exchange rates as of June 30, 2004.

**Original issue in Deutsche Marks was redenominated into euro on February 19, 1999.

Source: Bank of Canada.

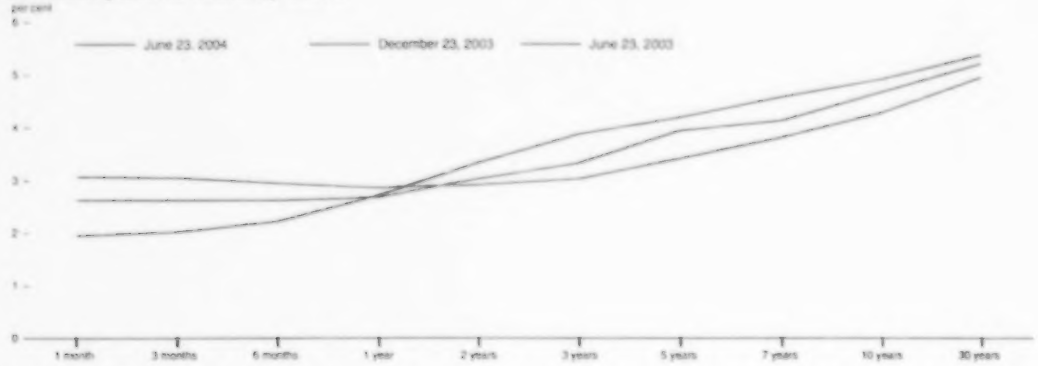
Canada's level of liquid foreign reserves



Source: Bank of Canada.

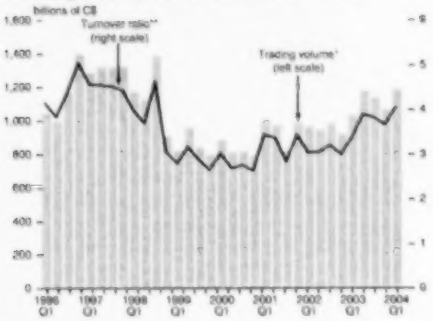
Secondary Market

Canadian yield-to-maturity curve



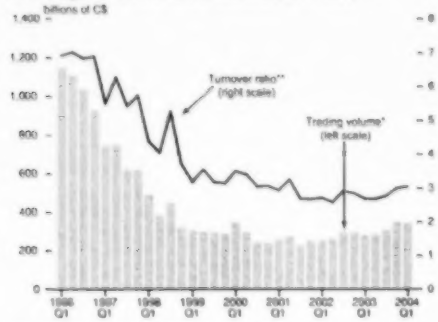
Source: Bank of Canada

Government of Canada bonds trading volume and turnover ratio



*Trading volume is total trading volume in each quarter.
**Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada

Government of Canada Treasury bills trading volume and turnover ratio



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Source: Bank of Canada

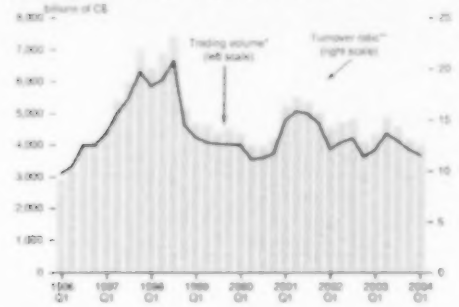
Government securities distributors

- Bank of Montreal (Treasury bills only)
- Beacon Securities Limited
- BMO Nesbitt Burns Inc. (marketable bonds only)
- Canaccord Capital Corp.
- Canadian Imperial Bank of Commerce (Treasury bills only)
- Casgrain & Company Limited
- CIBC World Markets Inc. (marketable bonds only)
- CTI Capital Inc.
- Desjardins Securities
- Deutsche Bank Securities Limited
- Golden Capital Securities Limited
- HSBC Bank Canada
- Laurentian Bank Securities Inc.
- Merrill Lynch Canada Inc.
- J.P. Morgan Securities Canada Inc.
- National Bank Financial Inc.
- Ocean Securities Inc.
- Odlum Brown Limited
- RBC Dominion Securities Inc.
- Resolution Capital Inc.
- Scotia Capital Inc.
- Société Générale Valeurs Mobilières Inc.
- The Toronto-Dominion Bank

Government of Canada Securities

Secondary Market

Government of Canada bond repos trading volume and turnover ratio



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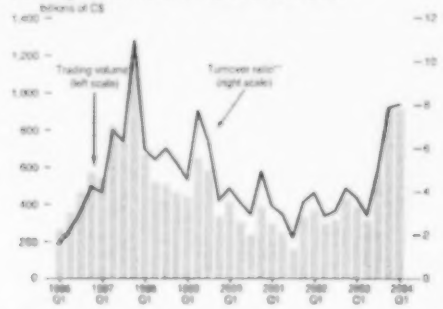
Government of Canada Treasury bill repos trading volume and turnover ratio



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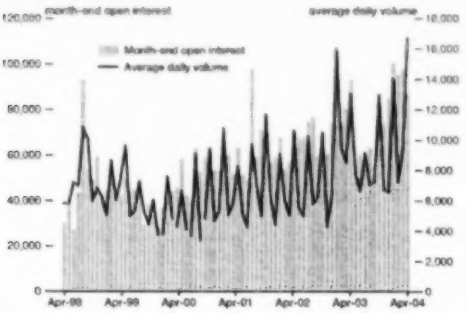
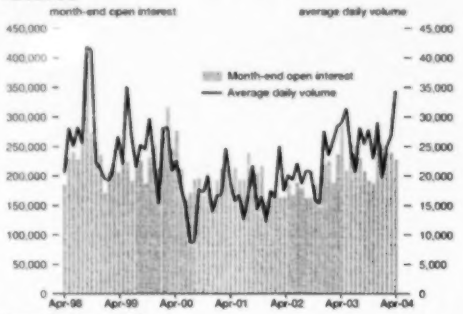
10-year Government of Canada bond futures



Source: The Montreal Exchange.

3-month bankers acceptance futures



Source: The Montreal Exchange.

Government of Canada long-term credit ratings

	Standard & Poor's Current	Moody's Investors Service Current	Dominion Bond Rating Service Current
Domestic debt – Trend	**AAA** Stable	**Aaa** Stable	**AAA** Stable
Foreign debt – Trend	**AAA** Stable	**Aaa** Stable	**AAA** Stable

This publication is also available on the Internet at www.fin.gc.ca.
Except as noted, the information in *Government of Canada Securities* is based upon data available as of June 23, 2004.
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